

SECTION XVII . INSPECTION/AUDIT OF **COMSEC** ACCOUNTS

117. Notification. Prior notice may or may not be provided to the contractor when a COMSEC account has been selected for audit/inspection.

118. Access. The auditor/inspector must present proper identification prior to gaining access to the COMSEC account.

119. DIS Inspection Criteria. **DIS** may inspect COMSEC accounts as part of its regular industrial security inspections. Prior to each COMSEC inspection, the **DIS** representative will review the most current COR report or letter provided to the contractor as a result of the last COR audit of the account. The purpose for this review of COR audit reports by the DIS representative is to preclude duplication of inspection effort by DIS and NSA .

120. Report of Inspection. When deficiencies are noted that require formal corrective action by the contractor, DIS will forward to the COR a copy of the COMSEC inspection report, along with a copy of its letter to management.

121. COR Audit Criteria.

a. Primary COMSEC Accounts. The COR will audit primary COMSEC Accounts annually or as deemed necessary. The audit will include:

(1) Verification of the completeness and accuracy of COMSEC accounting reports and files.

(2) Determination of the COMSEC Custodian and Alternate COMSEC Custodian's knowledge of and adherence to the provisions of this Supplement.

(3) Normally, physically sighting all COMSEC material held by the account.

(4) Verification of compliance with packaging, marking and shipping procedures.

(5) Solicitation of any problems encountered by the COMSEC Custodian in maintaining the account.

(6) Recommendations for the improvement of local **COMSEC** accounting and control procedures.

b. COMSEC Subaccounts. The COR will conduct audits of **COMSEC Subaccounts** on a random, unannounced basis and in the same manner as for Primary COMSEC Accounts. Prior to the audit, the Primary COMSEC Account will be requested to provide the NSA COR a pre-printed listing of the COMSEC **subaccount's** holdings.

122. Primary COMSEC Account Audit Criteria. COMSEC Custodians of primary COMSEC Accounts must conduct audits of their **Subaccount(s)** at least annually and in the same manner as that specified in paragraph 121, above.

123. Report of COR Audit of Primary COMSEC Accounts. Immediately upon completion of the audit, the Auditor will notify the **COMSEC** Custodian of any situation requiring immediate action, and will conduct an exit interview with the FSO and, **if** deemed necessary, with management. A formal report of audit outlining any discrepancies noted during the audit, the condition of the **COMSEC** account, and recommendations for improvements will be forwarded to the contractor. A copy of the Audit Report will also be provided to the appropriate DIS CSO. When the Audit Report outlines actions required of the **COMSEC** Custodian, the FSO, or others concerned, a Certificate of Action Statement will accompany the Audit Report. The letter forwarding the Audit Report will normally specify that all actions required **in** the report be completed within ten working days following receipt of the letter. A special effort must be placed on returning the Certificate of Action Statement within the specified time.

124. Report of COR Audit of COMSEC Subaccounts. The **COR's** formal report of the audit will be forwarded to the **COMSEC** Custodian of the primary account, with a copy furnished to the **subaccount** **COMSEC** Custodian. If the audit report outlines corrective actions to be taken, a Certificate of Action Statement will also be included with the letter forwarding the report. It will be the responsibility of the **COMSEC** Custodian of the primary **COMSEC** account to ensure that required corrective actions are accomplished by the **subaccount** **COMSEC** Custodian within the specified period of time. Once the required actions have been completed, the **subaccount** **COMSEC** Custodian must return a signed copy of the Certificate of Action Statement to the **COMSEC** Custodian of the primary **COMSEC** account, who will then countersign it and return it to the **COR**, retaining a copy for file.

125. Report of Primary COMSEC Account Audit of Its COMSEC Subaccount. The **report** of the auditing **COMSEC** Custodian's findings must be submitted to the **subaccount** **COMSEC** Custodian and a copy retained by the primary account **COMSEC** Custodian to be made available **to** the **COR** at the time of the primary **COMSEC** Account's annual audit or upon request. When the Audit Report outlines actions required of the **subaccount** **COMSEC** Custodian, a Certificate of Action Statement must accompany the report. The required actions must be completed by the **subaccount** **COMSEC** Custodian within ten working days following receipt of the report. Upon completion of the actions, the **Subaccount** **COMSEC** Custodian shall sign the Certificate of Action Statement and return it to the Primary **COMSEC** Account for retention.